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November 29, 2006

Ms. Tracie Billington, P.E.
Department of Water Resources
Division of Planning and Local Assistance
P. O. Box 942836
Sacramento, CA 94236-0001

RE: PROPOSITON 50, IRWM PROGRAM

Dear Ms. Billington:

The Integrated Regional Water Management (IRWM) Program will provide funding for the planning and implementation of many needed projects throughout the state. The activities being proposed are of regional significance and encompass major projects. One category of water user that will likely be overlooked with the existing implementation procedures for the IRWM Program are the disadvantaged communities of the state. The typical projects that serve the small and medium-sized disadvantaged communities do not provide a good fit with the current requirements for preparing and submitting applications for funding through Proposition 50.

The infrastructure needs of the individual communities are of a much smaller magnitude and are not as glamorous as the projects being proposed through the Proposition 50 program. The costs for preparing and the extent of the preliminary efforts involved with submitting a competitive application through Proposition 50 will limit the ability of these communities to participate in the process.

Consideration should be given to allocating funds specifically for disadvantaged communities through Proposition 50 or as a part of an Integrated Regional Water Management Plan that is encompassing a much larger scope. The typical projects that could be funded include system leakage testing, the replacement of old and leaking waterlines and tanks, replacement of water services and the installation and/or replacement of water meters. These types of infrastructure improvements will result in a net state water savings, reduce operation and maintenance costs for the communities and, in many cases, provide health and safety benefits. While an individual project for a small community may not provide a large water savings, the cumulative impact of these projects can be significant. The State Revolving Fund (SRF)

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Program is another funding source available to these communities, but the focus of the SRF Program is primarily on resolving water quality issues and projects dealing strictly with water system infrastructure rehabilitation are not competitive in the priority ranking procedures used by the SRF Program.

The guidelines for designation as a disadvantaged community should consider the median household income, size of the community (program should target small and medium-sized communities) and funding alternatives available to a community. To assist as many communities as possible, a limit of \$2 million could be established as the maximum funding amount available through the Proposition 50 Program for a specific infrastructure rehabilitation project. The infrastructure rehabilitation projects for the small, disadvantaged communities tend to be smaller in size and with the establishment of a program funding limit, those projects that are critical to the communities can be completed, while allowing the number of communities that are served with the available funding to be increased. In most cases, there are no other sources of funding available to these communities for infrastructure rehabilitation projects. The infrastructure rehabilitation funding set-aside could be limited to small, disadvantaged communities serving a maximum of 3,300 water connections. There are many communities throughout the state that could take advantages of such a program.

Without incorporating specific provisions in the program regulations, such as discussed above, the disadvantaged communities may be left behind when funding through the Proposition 50 program is allocated. Your consideration of these suggestions and incorporation of same or similar requirements in the allocation of funds through the Proposition 50, IRWM Program would be appreciated.

Very truly yours,
James H. Wegley Consulting Civil Engineer

JHW:mc